

"U.S. and other foreign investors deserve equitable treatment in accordance with Hungarian law"

WASHINGTON, DC - U.S. Congressman Mike Pence offered the following statement today on the floor of the House in support of a resolution encouraging the Republic of Hungary to respect the rule of law, treat foreign investors fairly and promote a free and independent press:

"I rise in support of H. Res. 915, a resolution of the House of Representatives encouraging the Republic of Hungary to respect the rule of law, treat foreign investors fairly, and promote a free and independent press.

"I would like to thank my Indiana colleagues, especially Congressmen Joe Donnelly and Baron Hill, for their yeoman's work on this issue. Chairman Howard Berman and Ranking Member Ileana Ros-Lehtinen also were instrumental in bringing this important resolution to the floor.

"What could and should have been a fair competition to rebid Hungary's only two national, commercial FM radio broadcast licenses is now mired in allegations of political corruption. As nine embassies in Hungary including the United States warned in a joint letter last month, we are concerned that such instances of non-transparent behavior affecting investors could discourage foreign investment and hamper economic growth in Hungary. This concern is underscored by a report commissioned by the Public Procurement Council in Hungary, which recently found that between 70 and 90 percent of all public procurements in Hungary are tainted by corruption.

"The broadcast licenses previously held by Slager Radio (owned by an Indianapolis-based company) and Danubius Radio (owned by a Vienna-based private equity firm) were recently awarded by the Hungarian National Radio and Television Board (ORTT) to other bidders despite unrealistic business plans and irregularities in those bids that I am told should have disqualified them under Hungarian media law. Not only that, but prior to the ORTT's highly controversial decision, Slager and Danubius were reportedly approached by agents of the Fidesz and Socialist parties seeking to acquire partial control of the stations to ensure their licenses would be renewed. Although the ORTT chairman resigned in protest and refused to sign the contracts, the

delegates appointed to the ORTT by the Fidesz and Socialist parties all voted in favor of the two new stations. A poll of Hungarians suggested that six out of ten agreed that the decision to end the broadcast rights of Slager Radio and Danubius was "outrageous."

"Slager and Danubius have appealed the ORTT decision, but litigation could drag on for years, while their popular broadcasts were forced off the air on November 18, 2009, the day we introduced this resolution. In addition, the Hungarian parliament voted to investigate the matter and a prosecutor is looking into whether criminal charges are warranted. I am encouraged by these steps and it is certainly my hope that the matter will be expeditiously resolved.

"US and other foreign investors deserve equitable treatment in accordance with Hungarian law. It bears mentioning that the United States is the fourth-largest contributor to foreign investment in Hungary and the largest non-European source of investment. The United States has invested over nine billion dollars in Hungary since 1989.

"Unfair treatment of foreign companies will deter investment and hinder economic growth, while upholding the rule of law and promoting a free and independent press - as we urge in this resolution - would instead spur investor confidence.

"In conclusion, we bring this resolution to the floor of the US House of Representatives today in solidarity with all Hungarians demanding a thorough and expeditious investigation into the highly questionable circumstances surrounding the awarding of these radio licenses and fair competitions in public procurements that will demonstrate Hungary's commitment to respect the rule of law, treat foreign investors fairly and promote a free and independent press.

"Thank you and I yield back the balance of my time."